



May 31, 2013

Mrs. Jocelyn Boyd  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29210

**RECEIVED**

JUN 04 2013

**PSC SC  
MAIL / DMS**

Dear Mrs. Boyd:

Duke Energy Progress' ("DEP") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required DEP to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock – n/a
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 2.85 times

In compliance with the ORS's request, PEC submits its quarterly earnings report for the 12 months ended March 31, 2013 on a per books and as adjusted basis using jurisdictional allocations based on 2011 data. Also included is a verification of the report.

If you have any questions or concerns, please call me at 919-546-3324.

Sincerely,

Laura Bateman  
Manager, Carolinas Rates & Regulatory Strategy

c: John Flitter

Enclosure

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, Inc., as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

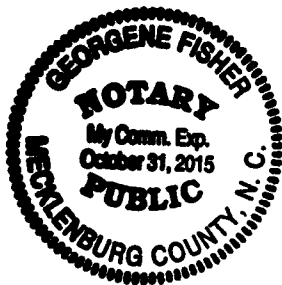
State President, Duke Energy South Carolina  
Title

May 24, 2013  
Date Signed

Subscribed and sworn to before me this 24 day of May, 2013.

Georgene Fisher  
Notary Public

My Commission Expires: October 31, 2015



CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, Inc., as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

Director Regulated Accounting  
Title

May 23, 2013  
Date Signed

Subscribed and sworn to before me this 23 day of May, 2013.

Kimi V. Beal  
Notary Public

My Commission Expires: October 24, 2014

DUKE ENERGY PROGRESS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED MARCH 31, 2013

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL		TOTAL WITH
-----	PER BOOKS	ADJUSTMENTS	ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,816,711,672	-	4,816,711,672
OPERATING EXPENSE:			
NET O&M EXPENSES	3,325,330,407	9,860,543	3,335,190,950
DEPRECIATION	538,876,995	17,416,698	556,293,693
TAXES (OTHER THAN INCOME)	222,603,452	1,008,951	223,612,403
INCOME TAX - STATE	(3,713,344)	(23,887)	(3,737,231)
INCOME TAX - FEDERAL	(58,479,388)	(189,795,159)	(248,274,547)
PROV. FOR DEFERRED TAXES	283,615,772	181,748,675	465,364,447
INVESTMENT TAX CREDIT	(6,946,058)	-	(6,946,058)
TOTAL OPERATING EXPENSE	4,301,287,836	20,215,821	4,321,503,657
INCOME FOR RETURN:			
OPERATING INCOME	515,423,836	(20,215,821)	495,208,015
CUSTOMER GROWTH	2,146,458	(84,188)	2,062,270
INTEREST ON CUST. DEPOSITS	(7,709,463)	-	(7,709,463)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	509,860,831	(20,300,009)	489,560,822
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	19,123,108,081	190,368,143	19,313,476,224
PLANT HELD FOR FUTURE USE	18,366,236	-	18,366,236
RESERVE FOR DEPRECIATION	(9,222,701,519)	(17,416,698)	(9,240,118,217)
NET PLANT IN SERVICE	9,918,772,798	172,951,445	10,091,724,243
NUCLEAR FUEL INVENTORY	414,929,891	-	414,929,891
DEFERRED TAXES - LIB. DEPR.	(2,293,088,144)	179,243,394	(2,113,844,750)
REGULATORY ASSETS	1,088,384,648	(179,243,394)	909,141,254
WORKING CAPITAL:			
MATERIALS & SUPPLIES	790,546,573	(21,740,023)	768,806,550
CASH WORKING CAPITAL	477,226,430	-	477,226,430
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	39,116,008	-	39,116,008
TAX ACCRUALS	(5,580,263)	-	(5,580,263)
CUSTOMER DEPOSITS	(122,767,821)	-	(122,767,821)
OPERATING RESERVES	(713,534,730)	-	(713,534,730)
CUSTOMER ADVANCES FOR CONSTR.	(12,041,605)	-	(12,041,605)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	452,964,592	(21,740,023)	431,224,569
TOTAL RATE BASE	9,581,963,785	151,211,422	9,733,175,207
RATE OF RETURN (%)	5.32		5.03

DUKE ENERGY PROGRESS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED MARCH 31, 2013

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	521,668,051	-	521,668,051
OPERATING EXPENSE:			
NET O&M EXPENSES	360,395,141	1,127,412	361,522,553
DEPRECIATION	66,558,199	1,952,893	68,511,092
TAXES (OTHER THAN INCOME)	16,883,804	112,218	16,996,022
INCOME TAX - STATE	(9,849)	1,165,438	1,155,589
INCOME TAX - FEDERAL	(15,046,985)	(21,337,031)	(36,384,016)
PROV. FOR DEFERRED TAXES	39,451,830	21,017,191	60,469,021
INVESTMENT TAX CREDIT	(777,782)	-	(777,782)
TOTAL OPERATING EXPENSE	467,454,358	4,038,121	471,492,478
INCOME FOR RETURN:			
OPERATING INCOME	54,213,693	(4,038,121)	50,175,573
CUSTOMER GROWTH	20,454	(1,524)	18,930
INTEREST ON CUST. DEPOSITS	(606,995)	-	(606,995)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	53,627,152	(4,039,645)	49,587,508
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,200,870,277	21,173,114	2,222,043,391
PLANT HELD FOR FUTURE USE	2,042,728	-	2,042,728
RESERVE FOR DEPRECIATION	(1,064,501,618)	(1,991,523)	(1,066,493,141)
NET PLANT IN SERVICE	1,138,411,387	19,181,591	1,157,592,978
NUCLEAR FUEL INVENTORY	46,903,579	-	46,903,579
DEFERRED TAXES - LIB. DEPR.	(294,204,221)	20,441,992	(273,762,229)
REGULATORY ASSETS	151,014,879	(19,935,798)	131,079,081
WORKING CAPITAL:			
MATERIALS & SUPPLIES	93,130,286	(2,457,487)	90,672,799
CASH WORKING CAPITAL	56,230,514	-	56,230,514
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	4,496,577	-	4,496,577
TAX ACCRUALS	(641,479)	-	(641,479)
CUSTOMER DEPOSITS	(18,644,418)	-	(18,644,418)
OPERATING RESERVES	(81,543,141)	-	(81,543,141)
CUSTOMER ADVANCES FOR CONSTR.	(1,572,779)	-	(1,572,779)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	51,455,561	(2,457,487)	48,998,073
TOTAL RATE BASE	1,093,581,185	17,230,297	1,110,811,481
RATE OF RETURN (%)	4.90		4.46

DUKE ENERGY PROGRESS  
S.C. QUARTERLY REPORT  
S.C. RETAIL - RETURN ON COMMON EQUITY  
FOR THE TEST YEAR ENDED MARCH 31, 2013

**"PER BOOKS"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	5,181,903,919	48.41%	529,402,651	4.30%	22,764,314
PREFERRED STOCK	-	0.00%	-	0.00%	-
COMMON EQUITY	5,521,197,035	51.59%	564,178,533	5.47%	30,862,838
TOTAL CAPITALIZATION	10,703,100,954	100.00%	1,093,581,185		53,627,152 *

**"ADJUSTED"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	5,181,903,919	48.95%	543,742,220	4.30%	23,380,915
PREFERRED STOCK	-	0.00%	-	0.00%	-
COMMON EQUITY	5,404,874,928	51.05%	567,069,261	4.62%	26,206,592
TOTAL CAPITALIZATION	10,586,778,847	100.00%	1,110,811,481		49,587,508 *

\* Includes approximately \$7.8M net of tax of Cost to Achieve.